

## Message Text

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PAGE 01 JIDDA 00340 161044Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 OES-07 ACDA-12 DOE-11

SOE-02 NRC-05 /068 W

-----020912 161310Z /45

R 160935Z JAN 78

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC 733

INFO AMEMBASSY BONN

AMCONSUL DHARAN

AMEMBASSY PARIS

USLO RIYADH

USDOC WASHDC

LIMITED OFFICIAL USE JIDDA 0340

E.O. 11652: N/A

TAGS: BEXP, SA

SUBJECT: PRODUCT OPPORTUNITY: RESEARCH REACTOR

REF: A. 77JIDDA 7594 B. 77 STATE 276949

1. MARNING 15 JANUARY EMBASSY OFFICER RAISED SUBJECT OF SAG PLANS FOR RESEARCH REACTOR IN DHARAN WITH OFFICIAL IN SAUDI ARABIAN ATOMIC ENERGY DEPARTMENT (AED). OFFICIAL STATED THAT CONTRARY TO INFORMATION CONTAINED REFEEL B, SAG IS NOT REPEAT NOT DISPLEASED WITH FREICH DESIGN STUDY. HE ADDED THAT SAG OFFICIALS HAVE AS MENTIONED REFTEL B SPOKEN WITH INTERATOM REPS IN GERMANY CONCERNING POSSIBLE TURNKEY PROJECTS INVOLVING RESEARCH REACTOR FOR SAUDI ARABIA. HE STATED THAT INTERATOM HAD FULLY BRIEFED GENERAL ATOMIC (GA) AND IT WAS HIS UNDERSTANDING, FROM GERMANS, THAT THEY EXPECTED GA TO SUPPLY REACTOR FOR PROPOSED GERMAN TURNKEY PROJECT; THIAT IS, SHOULD SAUDIS SELECT GERMANS VICE FRENCH TO UNDERTAKE CONSTRUCTION OF RESEARCH REACTOR.

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PAGE 02 JIDDA 00340 161044Z

2. ACCORDING TO AED OFFICIAL, CONTACT WITH INTERATOM FLOWS MORE FROM SAG DESIRE TO GET SECOND COMPETITIVE BIDDER INVOLVED IN RESEARCH PROJECT, RATHR THAN FROM ANY DISPLEASURE WITH FRENCH DESIGN PROPOSALS. HE NOTED THAT FINAL DECISION RE AWARDING OF SAUDI CONTRACT FOR RESEARCH REACTOR WILL MOST PROBABLY BE RESOLVED

AT HIGHEST LEVELS OF SAUDI ARABIAN GOVERNMENT. THUS, WINNER OF CONTRACT WILL BE SELECTED FOR POLITICAL ADVANTAGE TO KINGDOM RATHER THAN COMMERCIAL OR TECHNICAL REASONS. AED OFFICIAL CONCLUDED BY NOTING HE WAS SURPRISED BY GA ATTEMPTING WHAT HE CHARACTERIZED AS END RUN AROUND INTERATOM. HE OBSERVED THAT INTERATOM HAS BEEN COLLABORATING VERY CLOSELY WITH GA FROM BEGINNING. HE SAID GHAZI SULTAN OF THE PETROLEUM MINISTRY WOULD BE MOST DISPLEASED WHERE HE TO LEARN THAT GA HAD ATTEMPTED FINESSE INTERATOM OUT OF RACE FOR RESEARCH PROJECT BY APPROACHING SAG DIRECTLY RATHER THAN REMAINING IN A LESS LUCRATIVE ROLE AS A SUBCONTRACTOR ON PROJECT TO INTERATOM.

3. AT REQUEST EMBASSY OFFICER, AED OFFICIAL AGREED NOT RAISE SUBJECT OF THIS CONVERSATION WITH GHAZI SULTAN OR OTHER MINISTRY OF PETROLEUM OFFICIALS SINCE TO DO SO WOULD UNNECESSARILY HAVE ADVERSE IMPACT ON SAG OPINION OF GA.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Date:** 20 Mar 2014  
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**Original Handling Restrictions:** n/a  
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**Reference:** 77 JIDDA 7594, 77 STATE 276949  
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**Review Markings:**  
Sheryl P. Walter  
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